

May 17, 2005

May Seventeenth

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The second regular Meeting of City Council was held on the above date at 7:00 p.m. in the Council Chambers located on the Fourth floor of the Municipal Building. The following Council Members were present: P. A. "Pete" Castiglione, Jr., E. Stokes Daniels, Mayor John C. Hamlin, Jr., T. Wayne Oakes, Sherman M. Saunders, H. Phillip Smith, and Vice-Mayor R. Wayne Williams, Jr. (7). Ruby B. Archie and T. David Luther were absent (2).

Staff members present were City Manager Jerry L. Gwaltney, Deputy City Manager M. Lyle Lacy, III, Assistant City Manager for Utilities Joseph C. King, Finance Director Barbara A. Dameron, Budget Director Cynthia L. Thommason, City Attorney W. Clarke Whitfield, Jr., and City Clerk Annette Y. Crane, CMC.

Other Staff Members present were Transportation Services Director Marc Adelman, Police Chief Philip Broadfoot, Economic Development Director Ron Bunch, Public Works Director Ric Drazenovich, Human Services Director Gwendolyn Edwards, Community Development Director Jerry Fischer, Parks, Recreation and Tourism Director John Gilstrap, Information Technology Director Kerry Goode, Power and Light Director Paul Kalv, Fire Chief B. G. Lewis, Key Accounts Manager Kevin Martin, Housing and Development Director Diane Morris, Human Resources Director Andrea Witt, and Emergency Services Director Doug Young.

Mayor Hamlin presided.

#### **INVOCATION AND PLEDGE OF ALLEGIANCE**

Council Member Phillip Smith offered the invocation. The Pledge of Allegiance to the Flag followed.

#### **ANNOUNCEMENTS AND SPECIAL RECOGNITION**

Mayor Hamlin proclaimed the week of May 15-21, 2005 as 'Business Appreciation Week.' He presented the proclamation to Economic Development Director Ron Bunch and expressed his appreciation to Mr. Bunch for his tireless economic development efforts.

Mr. Bunch thanked Council for their assistance in creating an environment that allows for bringing jobs to the region. He said the theme for this year's Business Appreciation Week is "Planting Opportunity, Harvesting Success," which sends a key message to the City. Mr. Bunch said he felt the theme had been followed all along in seeking new business and industry for our area. He listed the new companies that had located in Danville and existing businesses that have expanded their operations. They were:

- Luna Technologies - 50 new jobs

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- TelVista - 500 new jobs
- Boscov's - 350 new jobs
- Columbia Flooring Expansion - 250 new jobs
- Knight-Celotex - 145 reclaimed jobs -- jobs that had been lost resulting from the closure of Masonite Corporation
- Nestle' Expansion - 50 new jobs
- Shorewood Packaging Corporation - 30 new jobs
- Hobby Lobby - 50 new jobs
- Yorktowne Cabinetry - a joint project with Pittsylvania County - 540 new jobs
- TWM Cabling - 50 new jobs, and
- EsselPropack - the third expansion since locating in Danville - 40 new jobs.

Mr. Bunch said over 2,000 jobs had been established in the area over the past thirteen months, with a total investment by these companies of over \$86 million.

Mr. Bunch again thanked City Council for their support and for the proclamation recognizing Business Appreciation Week.

#### **MINUTES**

Upon Motion by Council Member Daniels and second by Vice-Mayor Williams, Minutes of the May 3, 2005 Meeting of City Council were approved as amended. Draft copies had been distributed to Council Members prior to the Meeting.

VOTE: 7-0  
AYE: Castiglione, Daniels, Hamlin, Oakes, Saunders, Smith, and Williams (7).  
NAY: None (0).  
ABSENT: Archie, and Luther (2).

#### **HEARING-REPEAL CHAPTER 34-CITY CODE-UPDATE TO MEET DEQ STANDARDS**

Mayor Hamlin opened the floor for a Public Hearing to consider repealing Chapter 34 of the City Code in order to update the chapter to meet the Virginia Department of Environmental Quality and the United States Environmental Protection Agency requirements. Notice of the Public Hearing had been duly published in the Danville Register and Bee on Tuesday, May 3, 2005. No one present desired to be heard and the Public Hearing was closed.

Upon Motion by Vice-Mayor Williams and second by Council Member Oakes, Ordinance No. 2005-05.04 repealing the current Chapter 34 of the Danville City Code and replacing it with a new Chapter 34 in order to update the entire chapter to meet requirements of the Virginia Department of Environmental Quality and the United States Environmental Protection Agency was adopted by the following vote:

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VOTE: 7-0  
AYE: Castiglione, Daniels, Hamlin, Oakes, Saunders, Smith,  
and Williams (7).  
NAY: None (0).  
ABSENT: Archie, and Luther (2).

**ADJUST FISCAL YEAR 2006 AND 2007 UTILITY RATES AND CHARGES**

Upon Motion by Council Member Daniels and second by Council Member Castiglione, Ordinance No. 2005-05.01 presented by its First Reading on May 3, 2005 adjusting Fiscal Year 2006 and Fiscal Year 2007 Utility Rates and Charges for Water/Wastewater, Gas, and Electric Services was placed on the floor for consideration.

Ms. Vivian Thompson, a resident of 126 Nannie G. Edwards Drive, appeared with a petition containing 1200 names of citizens who were opposing the increase in utility rates. Mrs. Thompson said something needed to be done about the utility increase. She said utility customers were suffering tremendously from the high cost of utilities currently and when the new rates go into effect on July 1, 2005, there would be greater problems for those already classified as low-income and for the elderly on fixed incomes.

Ms. Thompson said she had been informed that it would take millions of dollars to rebuild an electric power plant that had been closed due to the failure of a bond issue over twenty years ago to make necessary improvements. She encouraged Council to find funding for reconstruction of that plant.

Mr. Thompson thanked Council Members for allowing her to present her views.

Council Member Daniels said a feasibility study was being conducted by the Blue Ridge Power Agency concerning the construction of a power plant and asked Ms. Thompson to contact the City Manager's office if she desired further information. Mr. Daniels assured Ms. Thompson that if there were a way to decrease the utility rates, it would have been done.

Dr. Williams said there was a great deal of misunderstanding about the increase in rates. He said the rates were increasing because the supplier was raising the cost of electricity. He said the City had not arbitrarily decided to increase utility rates by 38 to 40 percent. Dr. Williams said Danville was looking to other cities in order to ascertain ways for getting a power plant built. He said there was a lot of misinformation around. He reiterated the City was not just raising rates; the cost of electricity has increased.

Mayor Hamlin encouraged citizens to take steps to keep the cost of utilities down, such as insulating their homes and adding replacement windows.

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Council Member Saunders thanked Ms. Thompson for presenting her views. He said the prices for utilities in Danville would never be the same. He informed Ms. Thompson that the City was doing everything possible to address citizens' concerns.

The Ordinance was adopted by the following vote:

VOTE: 7-0  
AYE: Castiglione, Daniels, Hamlin, Oakes, Saunders, Smith,  
and Williams (7).  
NAY: None (0).  
ABSENT: Archie, and Luther (2).

**ESTABLISH CERTAIN SANITATION USER FEES EFFECTIVE JULY 1, 2005**

Upon Motion by Council Member Castiglione and second by Vice-Mayor Williams, Ordinance No. 2005-05.02 presented by its First Reading on May 3, 2005 establishing certain Sanitation User Fees of the City of Danville, Department of Public Works, effective July 1, 2005 was adopted by the following vote:

VOTE: 6-1  
AYE: Castiglione, Hamlin, Oakes, Saunders, Smith, and  
Williams (6).  
NAY: Daniels (1).  
ABSENT: Archie, and Luther (2).

**APPROVE VARIOUS BUDGETS FOR FISCAL YEAR ENDING JUNE 30, 2006**

Mayor Hamlin opened the floor for a Public Hearing to consider the City Budgets for Fiscal Year 2005-2006. Notice of the Public Hearing had been duly published in the Danville Register and Bee on May 10, 2005. No one present desired to be heard and the Public Hearing was closed.

Vice-Mayor Williams moved the adoption of a Resolution entitled:

RESOLUTION NO. 2005-05.04

A RESOLUTION APPROVING THE BUDGETS OF THE VARIOUS FUNDS OF THE CITY OF DANVILLE FOR THE FISCAL YEAR ENDING JUNE 30, 2005.

Council Member Castiglione seconded the Motion.

Council Member Daniels said there were five (5) items he would like the administration to take a look at and consider revising. They were:

- Bi-Weekly Payroll - Mr. Daniels felt there would be some savings to the City if the weekly payroll were converted to bi-weekly.
- City employees driving city automobiles home - He said there were thirty-seven (37) vehicles being driven home by City employees. He said fifteen (15) of these cars were being

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driven home outside the City limits. He understood these employees were on call twenty-four hours daily. Mr. Daniels suggested it would be good for those employees to pay out of pocket for mileage to and from the City limits. He felt it was a burden the taxpayers should not have to bear.

- Reward system for money saving ideas - Mr. Daniels felt it would be a good thing if employees were rewarded for coming up with ideas to save the City money.
- Sick leave policy - Mr. Daniels said Council had received a printout indicating employees average better than six (6) days per year using sick leave. He said according to the printout, the leave was not being used for major illnesses. Mr. Daniels said he would like to have a professional review the current policy so Council would know if the City's policy was a good one.
- Garbage pick-up - Mr. Daniels said he felt \$2.70 increase in garbage pick-up fees was reasonable, but he said 65% of customers who placed their garbage curbside were subsidizing the remaining 35% who placed garbage in the backyard. Mr. Daniels said no alternatives were discussed during the budget proceedings, therefore, he would not support the increase.

The Resolution was adopted by the following vote:

VOTE: 6-1  
AYE: Castiglione, Hamlin, Oakes, Saunders, Smith, and Williams (6).  
NAY: Daniels (1).  
ABSENT: Archie, and Luther (2).

**APPROVE CAPITAL IMPROVEMENTS PLAN FOR FISCAL YEAR 2005-2006**

Vice-Mayor Williams moved the adoption of a Resolution entitled:

RESOLUTION NO. 2005-04.05

A RESOLUTION APPROVING THE FISCAL YEAR 2005-2006 CAPITAL IMPROVEMENTS PLAN FOR THE CITY OF DANVILLE, VIRGINIA.

The Motion was seconded by Council Member Castiglione and adopted by the following vote:

VOTE: 7-0  
AYE: Castiglione, Daniels, Hamlin, Oakes, Saunders, Smith, and Williams (7).  
NAY: None (0).  
ABSENT: Archie, and Luther (2).

**BUDGET APPROPRIATION ORDINANCE FOR FISCAL YEAR 2005-2006**

Upon Motion by Vice-Mayor Williams and second by Council Member Oakes, an Ordinance entitled:

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ORDINANCE NO. 2005-05.05

BUDGET APPROPRIATION ORDINANCE FOR FISCAL YEAR 2005-2006

was presented by its First Reading, as required by City Charter, to lie over before final adoption.

Council Member Saunders said there was no pay increase for City employees included in this budget and asked the administration to consider the possibility of an extra leave day or a monetary bonus to let employees know they were appreciated.

**BUDGET AMENDMENT - FY 2004-2005 - WORKERS' COMPENSATION**

Upon Motion by Council Member Daniels and second by Vice-Mayor Williams, an Ordinance entitled:

ORDINANCE NO. 2005-05.06

AN ORDINANCE AMENDING THE 2004-2005 FISCAL YEAR BUDGET APPROPRIATION ORDINANCE BY ANTICIPATING THE TRANSFER OF FUNDS FROM THE INSURANCE FUND TO THE GENERAL FUND TO PROVIDE FOR THE PAYMENT OF WORKERS' COMPENSATION CLAIMS AND APPROPRIATING SAME IN AN AMOUNT NOT TO EXCEED \$300,000

was presented by its First Reading, as required by City Charter, to lie over before final adoption.

**SUBMIT LEAD HAZARD CONTROL GRANT APPLICATION TO HUD**

Vice-Mayor Williams moved the adoption of a Resolution entitled:

RESOLUTION NO. 2005-05.06

A RESOLUTION AUTHORIZING THE SUBMITTAL OF A LEAD HAZARD CONTROL GRANT APPLICATION TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

The Motion was seconded by Council Member Saunders and adopted by the following vote:

VOTE: 7-0  
AYE: Castiglione, Daniels, Hamlin, Oakes, Saunders, Smith,  
and Williams (7).  
NAY: None (0).  
ABSENT: Archie, and Luther (2).

**COMMUNICATIONS**

City Manager Gwaltney called attention to the Quarterly Financial Report for quarter ending March 31, 2005 that had been placed at the desk of each Council Member.

There were no communications from the Deputy City Manager, City Attorney, and City Clerk.

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**ROLL CALL**

Referring to utilities, Council Member Castiglione said the same group of individuals who found the best utility prices several years ago was the same group that continues to seek the best utility prices. He commended the Utility Departments, the Utility Commission and others who had worked tirelessly in an effort to do so.

Mr. Castiglione praised the administration and City employees for coming up with this fiscal year's no frills budget.

Mayor Hamlin commended City Manager Gwaltney for holding the line once again on the new budget. He thanked the citizens of Danville for their understanding and hoped there would be good news for Danville in next year's budget.

Mayor Hamlin encouraged citizens of Danville to keep yards neat and clean. He said it costs the City time and money to take legal action against those who chose not to comply with the weed ordinance. He asked City Manager Gwaltney to see what steps could be taken to insure the City remains a beautiful and clean one.

Council Member Oakes thanked everyone for holding the line on the budget for Fiscal Year 2005-2006.

Council Member Saunders asked the City to continue to monitor utility cost and pursue the best price possible. He asked the administration to remember City employees in next year's budget.

Council Member Smith expressed dismay about Federal and State rules relating to utilities. He said every electric company in the State had been penalized because of those rulings. Mr. Smith said the City had taken three steps in order to continue to search for better prices for utilities. They are: 1) signing a one-year contract, 2) purchasing generators to shave during peak utility usage times, and 3) talking with Ohio municipal electricity operators about building, running, and sharing the output of a coal generated power plant. He said coal was the cheapest fuel for generating electricity.

Mr. Smith said Council is not happy about the rate increases and was doing everything possible to alleviate the situation.

Mr. Smith commended the administration for the hold the line budget for Fiscal Year 2005-2006.

Vice-Mayor Williams said he felt frustrated Council was forced to pass the utility rate increases. To watch electric and supplier's rate costs go up, natural gas rates go up, and cable television rates increase, the consumer gets squeezed more and more. He also cited health insurance premiums and gasoline prices and expressed dismay that companies report record profits as stocks continue to rise at the expense of the consumer. Dr. Williams said it would

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take the public getting involved and legislators' responding to the issues to get anything done about these matters. He said Council shared the community's frustrations since Council's hands were tied and could do nothing about it.

Dr. Williams congratulated John Gilstrap for the successful Festival in the Park held this past weekend.

The Meeting adjourned at 8:14 P.M.

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MAYOR

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CLERK